



Section 3 Policy

Section: Human Resources	Attachment(s): <ul style="list-style-type: none">• Section 3 Eligibility Claim Form
Policy #:	
Effective Date: 11/19/2019	
Adoption Date: 11/19/2019	
Revision Dates:	
Issuing Department: Centre County Planning and Community Development Office	
Responsible Officer: Section 3 Compliance Officer	
Required Review Period: 5-Year Re-approval	

Section 1: Policy Statement

As a recipient of over \$200,000 of federal Housing and Urban Development (HUD) housing and/or community development financial assistance, and to the greatest extent feasible and consistent with existing federal and Commonwealth regulations and adopted County policies, Centre County Government will promote local economic development, neighborhood economic improvement and individual self-sufficiency for low- and moderate-income persons.

Section 2: Overview

This policy is predicated on Section 3 of the Housing and Urban Development Act of 1968, as amended, and the governing regulations found at 24 CFR Part 135.

HUD's Section 3 regulations apply when:

- Housing and community development assistance includes community development funds in the form of Community Development Block Grants (CDBG), HOME Opportunities Program (HOME), Emergency Shelter Grant Program (ESG), and loans guaranteed under Section 108 of the Housing and Community Development Act of 1974; and
- The amount of currently active, combined HUD grants exceeds \$200,000 **AND** any contract or sub-contract received exceeds \$100,000.

Section 3: Provisions

The policy provides direction to County staff for maximizing employment and economic opportunities for low- and very low-income individuals, particularly those who are recipients of government assistance for housing, and business concerns which provide economic opportunities to low- and very low-income persons.

Section 4: Procedures

To meet the obligations inherent in receiving federal HUD financial assistance, the County will:

1. Develop and maintain a Section 3 Action Plan – required as a recipient of over \$200,000 of annual HUD funding for a “Section 3 Covered Project”. A Section 3 Covered Project is defined as the construction, reconstruction, conversion or rehabilitation of housing (including the reduction and abatement of lead-based paint hazards), other public construction which includes buildings or improvements (regardless of ownership) assisted with CDBG funds.

This plan must include the goals, objectives, and actions that will be implemented to ensure compliance with the requirements of Section 3.

2. Designate a Section 3 Compliance Officer – the roles and responsibilities of which will include:
 - Completing, submitting, and monitoring the Section 3 Action Plan
 - Monitoring bidding and procurement procedures
 - Maintaining a listing and certifications of Section 3 residents
 - Maintaining a listing and certificates of Section 3 business concerns
 - Management of grievance procedures
 - Reporting on Section 3 activities and grievances to the PA Department of Community and Economic Development, and
 - Record keeping on Section 3 activities.
3. Establish employment and training goals that utilize residents and other Section 3 eligible persons and businesses in contracts partially or wholly funded with HUD financial assistance. The Section 3 numerical goal for a PA local government (Centre County) is thirty percent (30%) of the aggregate number of new hires in any fiscal year. Centre County may demonstrate compliance with this requirement by committing to employ Section 3 residents.
 - All new hires by Centre County Government who are living in Centre County will be asked to voluntarily state their potential Section 3 eligibility by completing the Section 3 Eligibility Claim Form (attached). This will occur at the new hire orientation meeting. Eligibility is determined by the new hire’s residency in public housing, or their total household income based upon Centre County’s Area Median Income, adjusted annually by HUD.
4. Establish contracting goals by committing to award to Section 3 businesses at least ten percent (10%) of the total dollar amount of all Section 3 covered contracts in connection with housing rehabilitation, housing construction and public construction.
5. Establish record keeping and annual reporting procedures in compliance with 24 CFR 135.92
6. Establish a complaint procedure to resolve complaints generated due to non-compliance. Such complaints are to be submitted to the County’s Section 3 Compliance Officer in accordance with procedures established in the Section 3 Action Plan.
7. Education of department heads, local business and others of what constitutes a Section 3 business

Section 5: Definitions

Low-income person: Families, including single persons, whose incomes do not exceed 80 percent (80%) of the median income of the County.

New Hires: Full-time employees for permanent, temporary or seasonal employment opportunities.

Section 3 Business: A Section 3 business meets one of the following three criteria:

- Owned 51 percent (51%) by a Section 3 resident, or
- Includes permanent, full-time employees at least 30 percent (30%) of whom are currently Section 3 residents, or within three years of the date of first employment with the business concern were Section 3 residents, or
- Can provide evidence of a commitment to subcontract in excess of 25 percent (25%) of the dollar award of all subcontractors to be awarded to business concerns that meet the qualifications set forth above in the first two criteria categories.

Section 3 Resident: A public housing resident or a Centre County resident considered to be a low- or very low-income person.

Very low-income person: Families, including single persons, whose income does not exceed 50 percent (50%) of the median family income for the County.

Section 6: Related Policies

Not applicable

Repealer and Severability

All prior policies and/or directives or parts of policies and/or directives that are contrary to the provisions of this policy are hereby repealed to give this policy full force and effect.

If any section, clause, sentence, provision, or any part of this policy is held to be invalid or unconstitutional, the remaining sections, clauses, sentences, or parts not included therein, will remain in full force.

Exception to this policy may only be granted by the Board of Commissioners.

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